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Senate

PAY-AS-YOU-GO RULES

The last time I came to the floor to discuss the benefits of reinstating the pay-as-you-go rules, I related to everyone the theory of holes.

As much as I like talking about Dennis Healey, who used to be Great Britain's Chancellor of the Exchequer, I was hoping that I wouldn't have to again remind my Senate colleagues of his wisdom.

The theory of holes is simple. It says, when you find yourself in a hole, stop digging. Not only are we still digging, we also seem to be digging more furiously, taking ourselves to new fiscal depths.

Last year, we dug our way to a \$319 billion budget deficit, which is the third worst deficit in the history of our country. That number, by itself, is a clear indicator of our current fiscal misfortunes.

What is more telling is that number--again, a \$319 billion deficit--was hailed as good news by some in the current

administration. Why? Well, because, at the beginning of the year, everyone expected the deficit to be over \$400 billion. An improvement from worse to bad is still bad.

It is no wonder that many Americans think Washington, DC is no longer in touch with reality. Where they live--in towns large and small across Delaware and across America--this kind of fiscal recklessness is not an option. To the contrary, the vast majority of the people we serve strive to live by two simple rules: Live within your means and pay as you go.

In turn, families demand that their State and local governments live by the same rules. We in Congress used to live by those same rules. Unfortunately, they were allowed to expire in 2002.

We have been close to reinstating pay-as-you-go budgeting on two occasions since 2002. A year ago, the Senate voted to reinstate it. Unfortunately, it did not survive conference and was dropped out of the final compromise. Then, earlier

this year, we fell one vote short of again passing pay-as-you-go budgeting.

With this amendment, Senator **CONRAD** is giving us another opportunity to again live within our means and to pay for the things we find worth doing.

Pay-as-you-go budgeting requires that proposals to increase spending would have to be offset, either by cutting other spending or by raising revenue. Likewise, if I were to propose a tax cut, I would have to come up with an offset to make sure the hole we are in was not dug deeper.

Pay-as-you-go budgeting served us well during the 12-year period it was in force. And, it is important to note that during that time it applied to both the spending and tax sides of the ledger. That kind of across-the-board fiscal discipline eventually lead to our eliminating the deficit, establishing budget surpluses and even beginning to pay down a significant portion of the publicly held debt.

That is not a bad record. In fact, it is a good one. And, it looks especially good when compared to our current period of record deficits and a national debt of over \$8 trillion.

We cannot continue down the fiscal path we are currently on. A fiscal policy based on cutting taxes, on increasing spending and then on borrowing whatever is needed to make up the difference cannot be sustained.

Moreover, today's borrow-and-spend policies are as immoral as they are unsustainable. We are running up bills that will be left for our children and grandchildren to pay.

However, we still have time to do the right thing. We still have time to begin to put our fiscal house in order. Voting for Senator **CONRAD**'s amendment to reinstate pay-as-you-go budgeting would be a good start to that end.